

December 4, 2007

To: CalPERS Health Benefits Committee

From: Watson Wyatt Worldwide

Subject: Constituent Outreach Strategy

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### **Summary**

Watson Wyatt Worldwide has been asked by the CalPERS Board Health Committee to address the subject of constituent outreach and education. At the November 14, 2007 Health Benefits Committee meeting, Watson Wyatt suggested that CalPERS' existing efforts appear to be on point as they relate to outreach and communication with labor interests, and that CalPERS should continue to add to and maintain those efforts. This opinion letter will not comment further on outreach and education to labor.

Watson Wyatt also suggested at the November 14<sup>th</sup> meeting that there are opportunities for improvement in communication and education between Staff and the Board, specifically related to progress on various initiatives supporting the strategic plan, as well as on-going processes (such as rate negotiations). This subject is addressed as appropriate in other opinion letters, and will not be addressed here. Therefore, this opinion letter focuses on individual member constituent outreach, as aligned with sections X and XI of the CalPERS Strategic Plan that states the following goals:

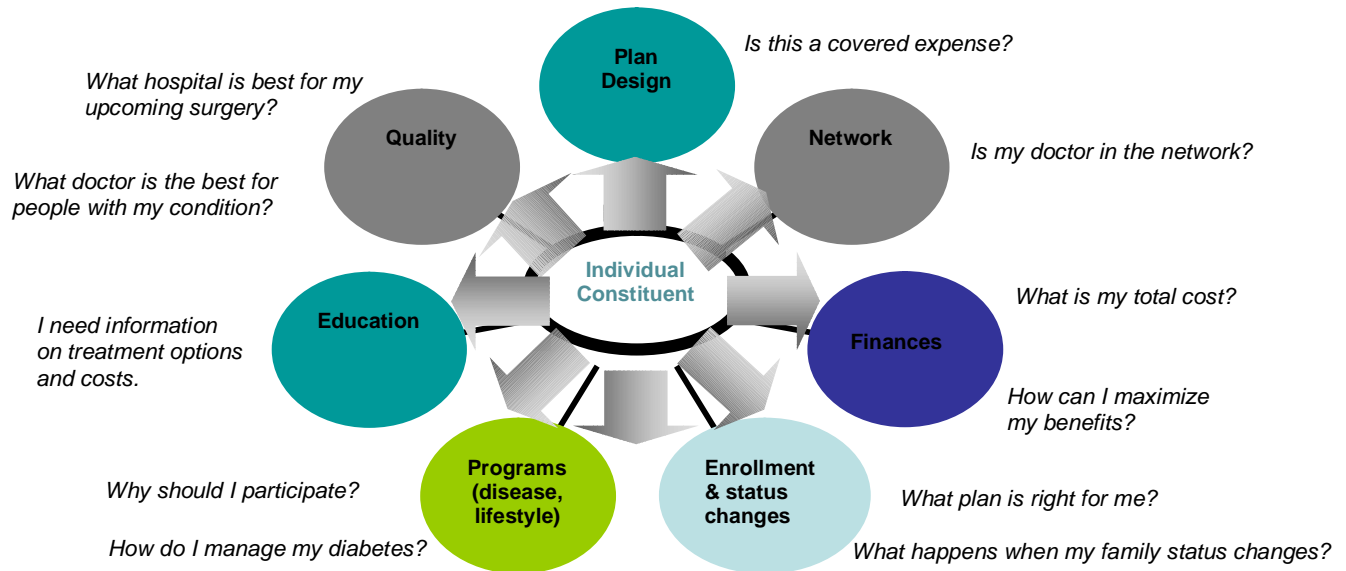
- Develop and administer quality, sustainable health benefit programs that are responsive to and valued by enrollees and employers.
- Promote the ability of members and employers to make informed decisions resulting in improved lifestyle choices and health outcomes.

We recommend that CalPERS implement a comprehensive constituent outreach strategy. Along with providing valuable education to constituents, a comprehensive strategy would offer CalPERS an opportunity to redefine/ reinforce your role with regard to health education and advocacy for all constituents groups: members, public agencies, and collective bargaining groups.

## Understanding the Individual Perspective

National research shows that most employees are satisfied with their health benefits, but, like their employers, are very concerned about escalating health costs. And at the same time that many employers are increasing employee responsibility for managing their health care, many employees still have little familiarity with basic health care terms and the tools for navigating the health care system.

As the graphic below demonstrates, organizations are asking individuals to take on more and more responsibility in managing their health and their health care decisions, often in areas that are not integrated or user friendly. This is even more compounded for CalPERS as your population is socially, economically and culturally diverse.



## Recommendation

As a first step in developing a constituent outreach strategy, Watson Wyatt recommends that CalPERS conduct an assessment of communication vehicles and tools currently available to your constituents through CalPERS, employers, and collective bargaining groups. Goals of this assessment include:

- Establish an understanding of current barriers and challenges associated with health care benefits communication, specifically around the following categories:
  - Environment
  - Process
  - Content
  - Delivery

- Quantify type and volume of existing benefits-related touch points with member audience
- Identify opportunities to align benefits communication activities with best practice organizations
- Develop recommendations for measuring communication effectiveness and collecting feedback
- Determine phased recommendations for improvement


A communication assessment will review communication materials, tools and vehicles provided by CalPERS, its carriers, and any other relevant sources. Assessment activities should include:

- Key stakeholder interviews
- Member focus groups
- Media analysis
- Process assessment
- Message delivery assessment
- Internet and web assessment
- Content analysis and protocol assessment
- Communication alignment assessment

Using the findings from the communication assessment, the CalPERS Board and Staff would be in a position to:

- Develop strategy and phased constituent outreach
- Strengthen connection between communication and overall strategic drivers
- Develop technology strategy to phase in necessary functionality for short and long-term needs
- Resolve potential conflicts around usability, terminology and consistency
- Develop a specific measurement process to learn member feedback

In closing, we are happy to discuss this further or provide an explanation on specific items.



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